

DEPARTMENT OF PLANNING
 COUNTY OF MAUI
 One Main Plaza
 2200 Main Street, Suite 315
 Wailuku, Hawaii 96793
 Telephone: (808) 270-7735



**BEFORE THE LAND USE COMMISSION
 OF THE STATE OF HAWAII**

In the Matter of the Petition of:)	Docket No. A07-773
)	
EMMANUEL LUTHERAN CHURCH OF MAUI)	THE COUNTY OF MAUI DEPARTMENT OF PLANNING'S POSITION STATEMENT ON WAIKAPU DEVELOPMENT VENTURES' (WDV) MOTION FOR EXTENSION OF TIME TO COMPLETE PROJECT AND NOTIFICATION OF AN AMENDMENT TO THE HRS 201H WAIKAPU AFFORDABLE HOUSING PROJECT
)	
To Amend the Land Use District Boundary of Certain Lands Situated at Wailuku, Island of Maui, State of Hawaii, Consisting of 25.263 Acres from the 'Agricultural' District to the 'Urban' District, Tax Map Key No. (2) 3-5-002:011)	

THE COUNTY OF MAUI DEPARTMENT OF PLANNING'S POSITION STATEMENT ON WDV'S MOTION FOR EXTENSION OF TIME TO COMPLETE PROJECT AND NOTIFICATION OF AN AMENDMENT TO THE HRS 201H WAIKAPU AFFORDABLE HOUSING PROJECT

The Maui County Planning Department (Department) acknowledges the receipt of WDV's Motion for Extension of Time to Complete the HRS 201H Waikapu Affordable Housing Project. The Department also acknowledges WDV's request to modify Condition Number 2 of the Land Use Commission (Commission) District Boundary Amendment, which required that WDV complete construction of the Workforce Housing Project within four years of the Commission's Order, dated July 11, 2019. The construction deadline would have been July 11, 2023. WDV is now requesting a construction deadline of September 7, 2027 to match the modified County Chapter 201H construction completion deadline. The Department notes that County Council approval of the modified Chapter 201H construction deadline is still pending. The approved deadline is currently September 7, 2024. The Department supports the modification of Condition Number 2.

County's Rationale for Support of Motion

To support WDV's Motion, the Department notes that Condition number 2 was imposed prior to the COVID pandemic outbreak, the recent wildfires, and changes to the economy which has resulted in increased interest rates and a higher cost of financing, as well as an increase in the cost of materials. We understand that WDV was prepared to abandon the project, if it was not granted a County subsidy or \$10.65 million appropriation in the County's Fiscal Year (FY) 2024 Budget. The appropriation is contingent upon County Council approval of the proposed time extension of the construction completion date of September 7, 2024. See **Exhibit 1**.

Maui is in need of additional affordable housing. According to the Hawaii Housing Planning Study, 2019, which was prepared for the County Department of Housing and Human Concerns, for years 2020-2025, there is a demand for 10,404 units among people who would qualify for affordable housing. Of the 10,404 units, there is a demand for 3,894 single-family residential owned units. The greatest demand is for those earning greater than 180 of the Area Median Income (AMI) for 1,620 units. The next greatest demand for units is as follows: 881 units for those earning between 140 to 180 AMI, 365 units for those earning between 60 to 80 AMI, 351 units for those earning less than 30 AMI, 258 units for those earning between 120 to 140 AMI. The proposed project will help to alleviate some of the demand for the housing. The Department notes that the recent Lahaina wildfire has only exacerbated these numbers.

WDV has made some progress on construction of offsite infrastructure. Condition 3 of the Decision and Order (D&O) states that the Petitioner shall provide drinking and irrigate water source, storage and transmission facilities and improvements for the Petition area. In their Motion, WDV represented that in 2018, subdivision plans were submitted for the project. As a result of the submission, the County Department of Water Supply required the extension of a 12-inch County waterline in Waiale Road near the petition area. In November 2021, construction plans were submitted to State and County agencies. Grading and road permits were obtained in June and July, 2022. See attached **Exhibit 2**. In August 2022, WDV initiated construction of the extension of the

County's waterline and fire hydrant installation. The waterline and fire hydrant are completed. The acceptance of the improvements by the Water Department is anticipated to occur within nine to 12 months. In addition, we note the receipt of WDV's 2018-2023 Annual Report for LUC Docket Nos. A07-773(a) and (b). See **Exhibit 3**. There was nothing of note in the report to indicate that WDV has not met the District Boundary Amendment approval conditions imposed by the LUC. Because the Applicant continues to strive toward project development, the County is supportive of its request to extend the construction completion deadline.

Original Project Proposal

Originally, the housing project was envisioned to consist of 80 workforce housing units on 74 lots for Maui residents. See **Exhibit 4**. Sixty-eight single-family dwellings and six duplex dwellings consisting of 12 duplex units were proposed. The duplex units were geared toward those earning between 70 to 80 percent AMI, 12 single-family dwellings were for those earning between 81 to 100 percent AMI, 40 single-family dwellings were for those earning between 101 to 120 percent AMI, and 16 single-family dwellings were for those earning between 121 to 140 percent AMI. In addition to housing, the project included a 26,400 square foot pocket park along Waiale Road and related infrastructure.

Project Modifications

Given the existing housing market demand and the need to reduce construction costs, the project has been modified. Refer to **Exhibit 4**. The lot layout and roadways will remain nearly the same. Now, the project will consist of 80 single-family residential house and lots. The duplex component was removed from the project concept. We note that in WDV's Motion for Extension of Time to Complete Project and Notification of Amendment to the HRS 201H Waikapu Affordable Housing Project, there was no reference to the 2023 Affordable Sales Price Guidelines and units to be sold per AMI category. In WDV's presentation to the Maui County Council Housing and Land

Use Committee for a County subsidy on May 10, 2023, WDV represented that 12 units will be sold to those earning between 70 to 80 percent AMI, so the prospective sales price will be about \$310,078 with a monthly mortgage of approximately \$2,054. Twelve units will be sold to those earning between 81 to 100 percent AMI at a sales price of about \$392,530 with a monthly mortgage of approximately \$2,601. Forty units will be sold to those earning between 101 to 120 percent AMI for approximately \$473,310 at \$3,121 per month mortgage. Also, 16 units will be sold to those earning between 121 to 140 percent AMI for approximately \$553,163 and a \$3,641 monthly mortgage.

In addition to the proposed housing type modification, the pocket park will be eliminated to accommodate the 12 single-family dwellings that will replace the six duplex units originally proposed. Typically, pocket parks are present in densely developed areas, where outdoor space is limited. They break up the built environment and help mitigate the urban heat island effect. In this case, the proposed pocket park is only approximately 26,400 square feet. Each proposed lot also has the potential for a yard, so there may/may not be additional impervious surface. Therefore, there should be no greater adverse impact with regard to urban heat island effect with the removal of the pocket park. Despite the elimination of the pocket park, the Department is still supportive of the proposed project.

In addition to the aforementioned changes, a dead-end interior roadway will also be eliminated. We note that the elimination of the dead-end is necessary for better traffic flow throughout the subdivision. In addition, it will enable easier fire truck turn-around. WDV represented that the roads will all be designed to County standards. The Department notes that the Department of Fire and Public Safety, responsible for reviewing for compliance with fire code, and the Department of Public Works, responsible for County roadways, will review the proposed project and submit comments upon submission for building permit review. The Department is supportive of the proposed interior roadway change, subject to approval by the Department of Fire and Public Safety and the Department of Public Works.

HRS Chapter 343 Requirement

Given the FY '24 County appropriation, the "use of County funds" is now a "trigger" for Hawaii Revised Statutes Chapter 343 environmental review under Hawaii Administrative Rules Section 11-200.1-9(a). The project can be exempted from the preparation of an Environmental Assessment if the Department of Housing and Human Concerns exempts it in compliance with HAR Section 11-200.1-15(c) (10). The exemption category is for "new construction of affordable housing, where affordable housing is defined by the controlling law applicable for the state or county proposing agency or approving agency or approving agency, providing it meets the following four criteria: 1) Has the use of state or county lands or funds or is within Waikiki as the sole triggers for compliance with HRS Chapter 343 review; 2) As proposed conforms with the existing State Urban Land Use Classification; 3) As proposed is consistent with the existing county zoning classifications that allows housing; and 4) As proposed does not require variances for shoreline setbacks or siting in an environmentally sensitive area, as stated in section 11-200.1-13(b)(11)." The Applicant will need to seek an exemption for the proposed project from the Chapter 343 requirements. If one is not received, an Environmental Assessment will be needed prior to further project development and building permit processing.

Conclusion

The Department supports the proposed construction completion time extension, as well as the project modifications. The island is in dire need of affordable housing. There are many residents displaced from the ever-rising cost of rent and ownership and even more so due to the recent wildfires on the island. This project will help alleviate some of the demand. The Department notes that the developer has made progress on infrastructure requirements needed to support the project. Council approval is being sought to approve the amended site plan and time extension, and it is anticipated to occur soon. This Position Statement does not in any way address all concerns the

Department may have, and it reserves its right to comment at a later time.

DATED: Wailuku, Hawaii, Oct 10, 2023.



KATHLEEN ROSS AOKI
Planning Director
Department of Planning

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**BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII**



In the Matter of the Petition of:)	Docket No. A07-773
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EMMANUEL LUTHERAN CHURCH OF)	CERTIFICATE OF SERVICE .
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To Amend the Land Use District Boundary)	
of Certain Lands Situated at Wailuku, Island)	
of Maui, State of Hawaii, Consisting of)	
25.263 Acres from the 'Agricultural' District)	
to the 'Urban' District Tax Map Key No.)	
<u>(2) 3-5-002:011</u>)	

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served on the following on the date indicated below:

DANIEL E. ORODENKER
Executive Director
State of Hawaii Land Use Commission
P.O. Box 2359
Honolulu, Hawaii 96804-2359

By Certified Mail No.:
7017 3380 0000 9002 8000
(Return Receipt Requested)

Digital Copy to State Land Use Commission, luc@dbedt.hawaii.gov

MARY ALICE EVANS
maryalice.evans@hawaii.gov
Director
Office of Planning & Sustainable Development
235 Beretania Street, 6th Floor
Honolulu, Hawaii 96813

Electronic Mail

ALISON S. KATO, ESQ.
alison.s.kato@hawaii.gov
State of Hawaii
Department of the Attorney General
425 Queen Street
Honolulu, Hawaii 96813

Electronic Mail

JEFFREY UEOKA, ESQ.
jueoka@mrwlaw.com
MERCHANT HOROVITZ & TILLEY
2073 Wells Street, Suite 101
Wailuku, HI 96793
(Attorney for WDV)

Electronic Mail

DEPT. OF ENVIRONMENTAL MGMT.
County of Maui
200 South High Street
Wailuku, Hawaii 96793

Hand Delivery

DEPARTMENT OF PUBLIC WORKS
County of Maui
200 South High Street
Wailuku, Hawaii 96793

Hand Delivery


DEPARTMENT OF WATER SUPPLY
County of Maui
200 South High Street
Wailuku, Hawaii 96793

Hand Delivery

MICHAEL HOPPER
Michael.Hopper@co.maui.hi.us
Deputy Corporation Counsel
Department of the Corporation Counsel
County of Maui
200 South High Street
Wailuku, Hawaii 96793

Electronic Mail

DATED: Wailuku, Hawaii, October 10, 2023.


KATHLEEN ROSS AOKI
Planning Director
Department of Planning

COUNCIL OF THE COUNTY OF MAUI
BUDGET, FINANCE, AND ECONOMIC
DEVELOPMENT COMMITTEE

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Committee
Report No. _____

Your Committee agreed to the following conditions to the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund:

- Up to \$5,000,000 must be used to acquire parcels in Kihei containing wetlands to support the implementation of the Kihei Drainage Master Plan;
- Up to \$500,000 must be for matching funds to the Molokai Land Trust for the acquisition of land for wetland protection and restoration on Molokai; and
- Up to \$750,000 must be for Nā Mamo Aloha 'Āina o Honokōhau for the purchase of tax map key ("TMK") (2) 4-1-002:008.

Your Committee agreed to the following adjustments to the Affordable Housing Fund:

- Clarify that the funds allocated for the Liloa Housing project and Hale Mahaolu Ke Kahua project are loans;
- Amend project references from "homeless" to "unsheltered";
- Condition \$7,500,000 to Ka Hale A Ke Ola for the purchase and retrofit of TMK (2) 4-5-006:004 located at 222 Papalaua Street;
- Condition up to \$250,000 for a master plan and feasibility study for TMK (2) 4-9-002:058 (por.) located at 5th Street, Lāna'i City, Hawai'i; and
- Condition \$10,650,000 in funding for Waikapū Affordable Housing Development and provide that the release of the funds must be contingent on Resolution 18-150, as amended by Resolution 20-107, being further amended to extend the completion of the construction deadline beyond September 7, 2024.

EXHIBIT |

2350020110000-77832

- Summary
- Details
- Addresses
- Additional Info
- Linked Records**
- Holds (7)
- Parcel Contacts
- Files
- Conditions
- Assessor Info
- Other Info
- History

CODE CASES (2)		INSPECTIONS (24)		PERMITS (8)		PLANS (4)					
Permit...	Permit...	Permit...	Permit...	Permit...	Permit...	Permit...	Permit...	Permit...	Permit...	Permit...	Permit...
R2022-00028	DSA Roadway Permit	Roadway	Issued	06/24/2022	07/11/2024			3.2390: WAIK APU EAST SU BDIVISION N O. 3	HONOAPIILAN HONOAPIILA NI HWY		↑ ↗
G2022-00049	DSA Grading Permit	Grading	Issued	04/25/2022	06/26/2024			3.2390: WAIK APU EAST SU BDIVISION N O. 3	HONOAPIILAN HONOAPIILA NI HWY		↑ ↗
GT20220009	DSA Grading Permit	Grading	In Review	01/19/2022				3.2415: WAIK APU EAST SU BDIVISION N O. 3	HONOAPIILAN HONOAPIILA NI HWY		↑ ↗
WTPT20220002	DSA Roadway Permit	Roadway	In Review	01/19/2022				3.2415: WAIK APU EAST SU BDIVISION N O. 3	HONOAPIILAN HONOAPIILA NI HWY		↑ ↗
SUBD20200007	DSA Subdivision	Subdivision	In Review	04/17/2020	06/04/2024			3.2415: WAIK APU EAST SU BDIVISION N O. 3	HONOAPIILAN HONOAPIILA NI HWY		↑ ↗
WTPT20190019	DSA Roadway Permit	Roadway	In Review	04/08/2019				3.2390: WAIK APU EAST SU BDIVISION N O. 3	HONOAPIILAN HONOAPIILA NI HWY		↑ ↗
SUBD20180016	DSA Subdivision	Subdivision	Accepted	06/01/2018				3.2390: WAIK APU EAST SU BDIVISION N O. 3	HONOAPIILAN HONOAPIILA NI HWY		↑ ↗
WTPT20100052	DSA Roadway Permit	Roadway	Expired Application	11/29/2010		10/14/2016		EMMANUEL L UThERAN; EM MANUEL LUT HERAN	HONOAPIILAN HONOAPIILA NI HWY		↑ ↗

EXHIBIT 2